

Consolidated Benefits

Health

Dental

Vision



For Excluded Employees and Eligible Represented Employees in
Bargaining Units 2,7,8,16,17,18 and 19

Consolidated Benefits

Overview

As an employee for the State of California, you have the opportunity to select your health and dental benefits from a variety of plan options offered by the State. You choose the plans and coverage levels that best meet your needs. Depending on your plan choices, you share the cost of those benefits with the State.

Under Consolidated Benefits (CoBen), which is part of the State's FlexElect Program, the State will provide you with a total benefit allowance, rather than providing specific contribution amounts for your health, dental and vision benefits. Depending on the total cost of the benefit plans you choose, CoBen may allow you to receive additional taxable income each month, which you can use to offset out-of-pocket premium costs.

This brochure offers you valuable information so that you can make the most out of the CoBen Program.

Who is Eligible

Eligibility for CoBen is determined through the collective bargaining process for represented employees. Current bargaining units participating in CoBen are units 2, 7, 8, 16, 17, 18, and 19. All employees excluded from collective bargaining (those employees classified as excluded, exempt, and confidential) are also eligible.

Making Changes to Your Current Benefit Elections

September 15 - October 15, 2005, is the open enrollment period for this year. During this time, you have the opportunity to:

- Enroll for the first time
- Change your health and/or dental plan
- Elect CoBen Cash in lieu of your health and dental coverage or your health coverage only
- Add or delete eligible dependents covered by your health and/or dental plans.

How CoBen Works

It's simple. First, identify the amount of your CoBen allowance. This is the amount the State will provide you to pay the premiums for the health and dental plans you select and the State vision plan. The amount of your CoBen allowance depends on whether you're covering yourself only, or dependents too.

Next, choose the benefit plans that best meet your needs. The table on page 8 shows the premium cost of each plan. Then, total the cost of the plans you've selected and compare it to your CoBen allowance.

- ☐ If the total cost of the plans you choose is less than your benefit allowance, you'll receive the difference as taxable cash (excess cash) in your paycheck. The excess cash amount will be subject to state, federal, and social security taxes. In order to receive excess cash, you must be enrolled in health, dental, and vision.
- ☐ If you're not enrolled in all three benefits, then you will not be eligible to receive excess cash.
- ☐ If the total cost of the plans you've chosen is *more than* your CoBen allowance, you will pay the difference with pre-tax dollars, which will

be automatically deducted from your paycheck. This amount is not subject to state, federal, Social Security, or Medicare taxes.

- ☐ If the total cost of the plans you have chosen is *equal to* your CoBen allowance, you will pay nothing, and you'll receive no cash back.

You make the most out of your participation in CoBen by making cost-effective benefit choices, which can result in extra money for you each month in your paycheck. It's also important that you carefully consider your choices to ensure they will meet your ongoing health and dental needs and those of your eligible dependents.

And remember that when making your plan choices, that your enrollment in a health plan, specifically the health plan party code you select (1, 2 or 3), will determine the total CoBen allowance amount when enrolled into all three benefits.

COBEN Contributions

Represented Employee CoBen Allowance

The CoBen allowance for represented employees is determined through collective bargaining.

Effective January 1, 2006, the CoBen allowance for employees in bargaining units 8, 16 and 19 are:

	2005	2006
Employee only	\$327	\$365
Employee plus one dependent	\$633	\$696
Employee plus two or more dependents	\$824	\$906

Effective January 1, 2006, the CoBen allowance for employees in bargaining units 18 are:

	2005	2006
Employee only	\$327	\$327
Employee plus one dependent	\$633	\$633
Employee plus two or more dependents	\$824	\$824

COBEN Contributions (cont.)

The CoBen Allowance for BU 7 employees first enrolled in health benefit coverage **before** January 1, 2006 are:

Units 7	2005	2006
Employee only	\$266	\$365
Employee plus one Dependent	\$515	\$696
Employee plus two or more dependents	\$679	\$906

The CoBen Allowance for BU 7 employees first enrolled in health benefit coverage **on or after** January 1, 2006 are:

	2006
Employee only	\$365
Employee plus one dependent	\$544
Employee plus two or more dependents	\$663

For bargaining unit 17 employees:

	2005	2006
Employee only	\$327	\$346
Employee plus one dependent	\$633	\$677
Employee plus two or more dependents	\$824	\$887

For bargaining unit 2 employees:

	2005	2006
Employee only	\$266	\$266
Employee plus one dependent	\$515	\$515
Employee plus two or more dependents	\$679	\$679

Allowance amounts for represented employees may be subject to change based on any changes in Memorandums of Understanding (MOU). For the

most current information, review your MOU or the DPA web site at www.dpa.ca.gov.

Excluded Employee CoBen Allowance

	2005	2006
Employee only	\$328	\$367
Employee plus one dependent	\$643	\$707
Employee plus two or more dependents	\$836	\$918

The CoBen allowance amount for excluded employees is determined by the Department of Personnel Administration.

Cash Option

There are two possible ways to receive CoBen Cash in your paycheck. If the premiums for your health, dental, and vision coverage add up to less than your total CoBen allowance, you will receive the excess as CoBen Cash in your paycheck. If you have coverage through another source, such as your spouse, you may opt to receive cash in lieu of both your health and dental coverage or for your health coverage only. To receive CoBen Cash in lieu of benefits, you must complete the CoBen Cash Enrollment Election Form.

These payments are considered taxable income and are as follows:

- \$155 — if you decline both the State-sponsored health and dental plans
- \$130 — if you decline only the State-sponsored health plan

Note: You will not receive any CoBen Cash if you decline dental coverage only.

CoBen Cash payments are included with your regular paycheck and are subject to the same payroll taxes (federal, state, and Social Security) as your regular salary. However, CoBen Cash payments are not considered compensation for retirement purposes. This additional cash is reported on your W-2 statement in the same tax year you received the CoBen Cash payment.

Permanent Intermittent Employees (PIs) Enrolled in CoBen Cash

If you're a permanent-intermittent employee and want to receive cash in lieu of your health and dental coverage or health coverage only, you must enroll each plan year you want to participate. You must complete the enrollment form (STD. 702) during open enrollment, or as "newly eligible" after open enrollment but prior to January 1.

In order to receive the cash payment, you also must meet all the following criteria:

- be eligible to enroll in health and dental insurance as of January 1, 2006 (i.e., you qualified in the July 1– December 31, 2005 control period);
- have a permanent-intermittent appointment from January 1, 2006, through June 30, 2006; and
- be paid for at least 480 hours worked from January through June 2006.

If you're appointed to a permanent position with a time base of half-time or more, you lose eligibility for the PI cash payment. If you want to enroll as a newly eligible permanent employee, you must complete a new STD. 702 within 60 days after your appointment.

Lump sum payment

If you enroll in a cash option for health and dental benefits or health benefits only as a permanent-intermittent employee, you will receive your payment in a lump sum. The amount is for the period of January through June; you are not eligible for the cash option for the July through December period. After June 30, 2006, once your Personnel Office certifies your eligibility based on the criteria listed on page 3, you will receive your cash option payment as follows:

- \$780 in lieu of health benefits;
- \$930 in lieu of health and dental benefits.

These payments are made within 60 days after the State Controller's Office receives the certification from your personnel office.

Dental Coverage

It is important for you to keep in mind that the choice you make for your dental coverage -- whether to keep your State-sponsored dental coverage or receive cash in lieu of dental coverage

-- is a three-year commitment. This means:

- 1) If you enroll in the Cash Option for health only and enroll in a State dental plan, you must remain in a State dental plan for three years, unless you experience a valid "permitting event" under the CoBen Program. (See page 6 for a list of permitting events.)
- 2) If you enroll in the Cash Option for health and dental, you may not cancel your dental Cash Option for three years, unless you lost your other dental coverage, or you canceled both your health and dental CoBen Cash during an open enrollment period, or due to a valid permitting event under the CoBen Program. After completing the three-year commitment, employees may enroll in a dental plan during the open enrollment period.

Vision Coverage

All employees are automatically enrolled in the State's vision plan. Therefore, you need to add in the cost of this coverage when calculating the total cost of your benefits.

For employees in CoBen, enrollment in the vision plan is mandatory.

Premium Only Plan

If you elect to receive cash in lieu of your State-sponsored health plan but enroll in a State-sponsored dental plan, then your benefit allowance will be the amount of your dental and vision premium. In this situation, you will receive cash in lieu of health, and your dental and vision premiums will be fully paid. You will not have an out-of-pocket dental and vision premium cost.

Changes Allowed Due to Permitting Events

Your CoBen choices, whether for health and dental benefits, or for cash in lieu of health or health and dental benefits, are in effect for your entire period of participation. Your period of participation begins with the effective date of your enrollment and ends on December 31 of each year, or sooner if you leave active pay status or cancel your enrollment. You may not change or cancel your CoBen choices during the year unless you experience a valid permitting event, listed on the next page.

Changes in Status (“Permitting Events”)

If you experience a change in status that’s listed on the chart on page 6, you’re permitted to take the action that’s listed next to that change.

Remember that you have 60 days following the date of your status change to take the corresponding action. Your completed form(s) must be received at the State Controller’s Office by the 10th of the month to be effective on the first of the following month.

In addition to the permitting events listed on page 6, here are some other payroll status changes and how they affect your CoBen cash enrollment:

Non-Industrial Disability Insurance (NDI): If you go on NDI while enrolled in the CoBen cash option, your monthly cash option payment remains in effect and will be reflected on your NDI check.

Industrial Disability Leave (IDL):

If you go on IDL while enrolled in the CoBen cash option, your enrollment remains in effect. You will receive a separate check for your cash option, issued about a week after your IDL check.

State Disability Insurance (SDI) for employees in Bargaining Unit 17 (only):

If you go on SDI while enrolled in the CoBen cash option, your enrollment will stop while you are on leave. If you return to pay status in the same CoBen plan year, your enrollment will resume.

Unpaid Leave of Absence:

If you are on an unpaid leave of absence while enrolled in the CoBen cash option, your enrollment will stop while you are on leave. If you return to pay status in the same CoBen plan year, your enrollment will resume.

If Your Status Changes

Once you enroll in a cash option, you can’t cancel or change your enrollment during the plan year (January 1 through December 31) unless you experience a change in status, called a “permitting event.” See page 6 for a complete list of status changes that permit you to cancel or change your enrollment.

If you’re enrolled in a cash option when you retire, your cash option will stop automatically.

You will need to take the following actions to protect your benefits:

If enrolled in the cash option for health benefits: You have 30 days prior to or 60 days following the date of your retirement to enroll in California Public Employees’ Retirement System (CalPERS) health plan. If you don’t enroll within this time period, you must wait until the next health open enrollment. Your enrollment at that point would be handled through CalPERS. If enrolled in the cash option for dental benefits: You have 30 days prior to or 60 days following the date of your retirement to enroll in a dental plan.

If you don’t enroll within this time period, you must wait until the next dental open enrollment. If you enroll prior to retirement, your dental enrollment will be processed through your personnel office. If you enroll following retirement, your enrollment is handled through CalPERS.

Permitting Events

Canceling or changing your CoBen Cash and/or CoBen choices is permitted only under the following circumstances (called "permitting events"). All changes, cancellations, and enrollments ***must*** be taken within 60 days of the date of the permitting event.

Permitting Event	Action Allowed
Initial appointment to state service	You may enroll as newly eligible.
Marriage	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Divorce (date of final divorce), legal separation, annulment	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Birth, adoption or child placed for adoption	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Death of spouse	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Loss of or commencement of spouse's employment	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Loss of medical and/or dental coverage provided through spouse, domestic partner, or other source due to an employment status change	If you are currently enrolled in the CoBen Cash option, you may cancel/change your CoBen Cash choices.
Medical/dental plan is no longer available	If you are currently enrolled, you may cancel/change your medical/dental plans. No new enrollments are allowed.
Moving out of a group practice plan service area	You may cancel/change your CoBen choices, however, no new enrollments are allowed. If your plan is no longer available, you may enroll in a new plan.
New health and/or dental plan(s) in area where none was previously available	You may change to the new health and/or dental plan. New enrollments are not allowed.
Addition or deletion of dependents on health and/or dental plans	If permissible under CalPERS for health and DPA for dental, you may change the party code on your health and/or dental plans.
Commencement of medical and/or dental coverage provided through spouse, domestic partner, or other source, due to an employment status change	May enroll in cash option as newly eligible or, if currently enrolled, may cancel/change CoBen cash option

CoBen - What it Means to You

How CoBen affects you will depend on your personal situation and the benefit plans you choose. Remember that CoBen offers you the opportunity to move money among benefit choices in order to maximize the total benefit allowance the State provides to you, or receive additional taxable monthly income under the circumstances described previously.

premium costs deducted from your paycheck or be eligible to receive CoBen Cash in your paycheck each month. An automated calculation worksheet is available at the Department of Personnel Administration's (DPA) Web site at www.dpa.ca.gov (under Employee Benefits/Consolidated Benefits).

The following worksheet will help you calculate whether you will have monthly out-of-pocket

Calculating Your Cost or Savings

1. Enter the amount of your CoBen allowance. Refer to chart on page 2 and 3. \$ _____

2. Refer to the 2006 Benefit Plan Premiums table on page 8, identify your health and dental plans, and enter their total premium costs.

Health Plan — (plan name) _____ (total premium) \$ _____

Dental Plan — (plan name) _____ (total premium) \$ _____

Vision Plan \$ 9.19

3. Total cost of your premiums \$ _____

4. Subtract the total cost of your premiums (Line 3) from your CoBen allowance (Line 1)..... \$ _____

If the amount on line 4 is a positive number, you'll receive this amount of taxable income each month. It will be noted on your paycheck as CoBen Cash. If the amount is a negative number, this is your net monthly out-of-pocket premium cost for the benefits you've selected. This amount will be deducted from your paycheck on a pre-tax basis.

2006 Benefit Plan Premiums

Health Plans

	1 PARTY (Employee only)	2 PARTY (Employee + 1 dependent)	3 PARTY (Employee + 2 or more dependents)
Blue Shield HMO	\$385.63	\$771.26	\$1,002.64
Kaiser	364.93	729.86	948.82
Kaiser Out-of-State	527.31	1,054.62	1,371.01
PERS Choice (PPO)	400.58	801.16	1,041.51
PERSCare (PPO)	673.69	1,347.38	1,751.59
Western Health Advantage	354.07	708.14	920.58
PORAC	399.00	748.00	950.00
CAHP***	431.74	838.15	1,096.23
CCPOA			
(CCPOA No. Cal.)	368.44	736.88	994.34
(CCPOA So. Cal)	304.08	608.15	821.22

Dental Plans

	1 PARTY (Employee only)	2 PARTY (Employee + 1) dependent)	3 PARTY (Employee + 2 or more dependents)
<i>Delta Dental Plans</i>			
Delta Dental Premier (Basic)*	\$46.72	\$82.30	\$119.40
Delta Dental Premier (Enhanced)**	\$48.63	\$96.77	\$136.17
Delta PPO	\$41.01	\$80.48	\$121.49
<i>Pre-Paid Dental Plans</i>			
SafeGuard (Standard)*	\$14.74	\$23.88	\$33.45
SafeGuard (Enhanced)**	\$14.42	\$24.41	\$30.07
PMI	\$16.91	\$27.74	\$38.37

*Available to represented employees

**Available to excluded employees

VISION PLAN

Vision Service Plan	\$9.19	\$9.19	\$9.19
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***For further information on CAHP Plan Premiums, CAHP members please contact the CAHP Benefits Trust. Health Plan rates shown are subsidized rates for supervisory (S05) or managerial (M05) employees enrolled in the CAHP Prudent Buyer Basic Plan.

**CONSOLIDATED BENEFITS (COBEN)
CASH ENROLLMENT ELECTION**

STD. 702 (NEW 4-2000)

COBEN**SEE PRIVACY NOTICE ON REVERSE SIDE****PLEASE TYPE OR USE BALL POINT PEN, PRINT CLEARLY--SEND COMPLETED FORM TO YOUR DEPARTMENT'S PERSONNEL/PAYROLL OFFICE**

1. ENROLLMENT (Check appropriate box)	2. SOCIAL SECURITY NUMBER
A. <input type="checkbox"/> Open Enrollment	3. NAME (First, MI, Last)
B. <input type="checkbox"/> Newly Eligible Enrollment	
C. <input type="checkbox"/> Change in Status Event	
D. <input type="checkbox"/> Cancellation	

COBEN ELECTIONS - QUESTIONS REGARDING THE FOLLOWING PLAN ELECTIONS SHOULD BE DIRECTED TO YOUR PERSONNEL/PAYROLL OFFICE

BENEFIT ITEM	ENTER MONTHLY COBEN CASH AMOUNT	5. For SCO Use Only Type of Change
4. CoBen Cash 354-020	A. Health Only \$ _____ B. Health and Dental \$ _____	

6. STATEMENT OF OTHER HEALTH OR STATEMENT OF OTHER HEALTH AND DENTAL COVERAGE

I certify that I am covered by another health or another health and dental plan as indicated below. I certify that I will maintain coverage in this health or health and dental plan on an ongoing basis and I agree to notify my Personnel Office within 60 days if I lose coverage.

A. HEALTH INSURANCE PLAN NAME	C. OTHER COVERAGE THROUGH (Check one) <input type="checkbox"/> Spouse <input type="checkbox"/> Domestic Partner <input type="checkbox"/> Other
B. DENTAL INSURANCE PLAN NAME	D. IF YOUR HEALTH/ DENTAL INSURANCE IS THROUGH YOUR SPOUSE OR DOMESTIC PARTNER, COMPLETE THIS ITEM Spouse's or Domestic Partner's Employer Social Security Number <input type="checkbox"/> State <input type="checkbox"/> Other

7. I UNDERSTAND THAT MY COBEN CASH ELECTION IN LIEU OF HEALTH OR HEALTH AND DENTAL COVERAGE WILL CONTINUE FROM YEAR TO YEAR UNTIL I TAKE ACTION TO CHANGE OR CANCEL MY ENROLLMENT.

IF I AM A PERMANENT INTERMITTENT EMPLOYEE I UNDERSTAND THAT THIS CONTINUOUS ENROLLMENT DOES NOT APPLY TO ME AND THAT I MUST REENROLL EACH YEAR DURING THE ANNUAL OPEN ENROLLMENT PERIOD.

I understand that my benefit elections are regulated under Section 125 of the Internal Revenue Service (IRS) Code. I understand that regulations under the IRS Code require that my benefit choices authorized by this election are irrevocable until the next scheduled open enrollment unless I have a valid "Change in Status Event" as defined in IRS Code Section 125 or other permitting events as defined by the Department of Personnel Administration (DPA).

I HAVE READ AND AGREE TO THE TERMS AND CONDITIONS OF THE COBEN CASH ELECTION AS OUTLINED ON THIS ELECTION FORM AND BY DPA.

EMPLOYEE SIGNATURE	DATE SIGNED
	

AGENCY USE ONLY

8. EFFECTIVE DATE OF ACTION MO DAY YEAR -1-	9. EMPLOYEE CBID	10. PERMITTING EVENT DATE MO DAY YEAR	11. PERMITTING EVENT CODE	
12. HEALTH FORM ATTACHED (HBD - 12) <input type="checkbox"/> YES <input type="checkbox"/> NO	13. DENTAL FORM ATTACHED (STD. 692) <input type="checkbox"/> YES <input type="checkbox"/> NO	14. PERMANENT INTERMITTENT <input type="checkbox"/> YES <input type="checkbox"/> NO	15. AGENCY CODE	16. UNIT CODE
17. REMARKS		18. AGENCY NAME		
		19. AUTHORIZED AGENCY SIGNATURE I hereby certify under penalty of perjury as follows: That I am the duly appointed, qualified and acting officer of the herein named agency, that I am authorized to make this certification and that the employee named herein is eligible for enrollment in Consolidated Benefits.		
		20. DATE RECEIVED IN EMPLOYING OFFICE (mo) day year		
		21. TELEPHONE NUMBER (Indicate if CALNET or give area code)		

DISTRIBUTION: Original - State Controller's Office; Pink - Agency; Goldenrod - Employee

CONSOLIDATED BENEFITS (COBEN) CASH ENROLLMENT ELECTION

STD. 702 (NEW 4-2000) (REVERSE)

PRIVACY NOTICE

The Information Practices Act of 1977 (Civil Code Section 1798.17) and the Federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals.

Information requested on this form is used by the State Controller's Office and the plan administrator for the purposes of identification and document processing.

It is mandatory to furnish all information requested on this form. Failure to provide the mandatory information may result in enrollment elections not being processed or being processed incorrectly.

The State Controller's Office requires employee's social security number and name for identification purposes. Legal references authorizing maintenance of this information include Government Code Sections 1151 and 1153, Sections 6011 and 6051 of the Internal Revenue Code, and Regulation 4, Section 404.1256, Code of Federal Regulations, under Section 218, Title II of the Social Security Act.

Copies of the Consolidated Benefits (CoBen) Cash Enrollment Election are maintained in confidential files of the State Controller's Office for five years. Employees have the right of access to copies of their Consolidated Benefits (CoBen) Cash Enrollment Election upon request. Send requests to: State Controller's Office, Personnel/Payroll Operations Branch, P.O. Box 942850, Sacramento, California 94250-5878, Attention: Benefits Unit.